

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefit Analysis Single-Family Housing Program Pool Round 1 2003

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to assist first-time homebuyers purchase homes. These agencies and authorities may issue MRBs, the proceeds of which back below market interest rate mortgages. As an alternative to issuing MRBs, state and local governmental agencies and joint powers authorities may issue MCCs. Homebuyers use the MCC to reduce their federal tax liability by applying the credit to their net tax due. Homebuyers may purchase single-family homes, either free-standing detached homes, condominiums or townhouses. Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

The California Debt Limit Allocation Committee is responsible for administering California's annual tax-exempt private activity bond program, known as "the annual State ceiling". For calendar year 2003, California's State ceiling is \$2.633 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as "Program Pools", including the Single-Family Housing Program Pool. For calendar year 2003, the Committee reserved approximately \$624 million, or 23.7% of the State ceiling for the Single-Family Pool. The \$624 million of bond authority will be allocated in two allocation rounds and will fund both Mortgage Revenue Bond Programs and Mortgage Credit Certificate Programs.

The Committee awarded a total of \$371,593,884 for Single-Family Housing in the First Allocation Round of 2003. Of this amount, \$251,016,311 was allocated to Mortgage Revenue Bond Programs and \$120,577,573 was allocated to the Mortgage Credit Certificate Programs. These allocations will assist approximately 2,577 first-time homebuyers, of which at least 1,032 will be lower income households and approximately 583 will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Revenue Bond Programs

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
\$251,016,311	1,674 Total number of below market interest rate loans 670 Total number of loans to low income households 520 Total number of loans to homebuyers purchasing newly constructed homes (31% of total)

Mortgage Credit Certificate Programs

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
\$120,577,573	903 Total number of MCCs 362 Total number of MCCs to low income households 63 Total number of MCCs to homebuyers purchasing newly constructed homes (7% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
<u>\$371,593,884</u>	2,577 Total number of below market interest rate loans and MCCs 1,032 Total number of loans and MCCs to low income households 583 Total number of loans and MCCs to homebuyers purchasing newly constructed homes (23% of total)